

## Message Text

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42

ACTION NEA-12

INFO OCT-01 EUR-25 ADP-00 AGR-20 IO-12 AID-20 EB-11 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-14 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 SAL-01 PA-03 PRS-01 USIA-12 L-03 H-02

RSR-01 /200 W

----- 064944

R 301327 Z MAR 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3466

INFO AMEMBASSY ISLAMABAD

MEMBASSY LONDON 2404

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

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PASS AGRICULTUE

E. O. 11652: N/ A

TAGS: EAGR, IN

SUBJ: WEEKLY FOODGRAIN SITUATION

REF: NEW DELHI 3347

BEGIN SUMMARY: PROCEDURAL ASPECTS OF TAKEOVER WHOLESALE WHEAT  
TRADE DOMINATED NEWS DURING PAST WEEK. REDUCED ATTENTION GIVEN  
JIMSON SEED PROBLEM. END SUMMARY

1. JIMSON SEED PROBLEM RECEIVED LITTLE PRESS COVERAGE DURING WEEK.  
AS PARTIAL SOLUTION TO PROBLEM, GOI MAY ASK STARCH INDUSTRY  
TO USE IMPORTED MILO. THIS ACTION LIKELY AS PROCESS OF REMOVING  
JIMSON SEED FROM MILO VERY COSTLY AND TIME CONSUMING. STARCH  
INDUSTRY PLEASED WITH PROPOSED ACTION AS SUPPLIES OF CORN ON  
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OPEN MARKET EXPENSIVE AND NOT READILY AVAILABLE. STARCH INDUSTRY HAS USED SOME MILO IN FORMER YEARS.

2. AGRICULTURAL MINISTER AHMED ANNOUNCED IN NEW DELHI ON MARCH 28 THAT SINGLE STATE WHEAT ZONES FOR ALL WHEAT GROWING STATES WILL COME INTO EFFECT APRIL 1 TO FACILITATE GOVERNMENT TAKEOVER OF WHOLESALE WHEAT TRADE. HOWEVER, PUNJAB AND ADJOINING FOOD DEFICIT STATE HIMACHAL PRADESH WILL CONSTITUTE ONE ZONE OF UNION TERRITORY DELHI INCLUDED WITH HARYANA TO FORM SINGLE WHEAT ZONE.

3. WEST BENGAL GOVERNMENT HAS UNDERTAKEN WHEAT PROCUREMENT FOR FIRST TIME. IT ANNOUNCED 100,000 TON PROCUREMENT PROGRAM TO BEGIN APRIL 1. IT ORDERED FARMERS HAVING MORE THAN TEN TONS FOODGRAINS TO FURNISH DETAILS THEIR STOCKS. ALSO PLACED LIMIT OF THREE TONS ON STOCKS THAT A RETAILER CAN HOLD. MAHARASHTRA, MADHYA PRADESH, BIHAR, GUJARAT, AND UTTAR PRADESH EARLIER ANNOUNCED THEIR PLANS FOR TAKEOVER WHOLESALE WHEAT TRADE. THE TWO MOST IMPORTANT WHEAT SURPLUS STATES, PUNJAB AND HARYANA, HAVE NOT YET ANNOUNCED THEIR TAKEOVER PLANS.

4. PRICE OF WHEAT DECLINED SOMEWHAT DURING PAST WEEK DUE NEW CROP ARRIVALS AND UNLOADING OF GRAIN STOCKS HELD BY WHOLESALE. PRICES WILL DECLINE FURTHER AS NEW CROP ARRIVALS INCREASE.

5. MINISTER OF STATE FOR AGRICULTURE A. P. SHINDE INFORMED PARLIAMENT ON MARCH 28 THAT GOVERNMENT FOODGRAIN STOCKS MARCH 1 TOTALED 2.7 MILLION TONS. HE REAFFIRMED GOVERNMENT PLANS IMPORT 2.0 MILLION TONS FOODGRAIN OF WHICH 1.65 MILLION TONS ALREADY PURCHASED FROM ARGENTINA, CANADA, AND USA.

6. ACCORDING AGRICULTURAL MINISTER AHMED AND HIS DEPUTY SHINDE, GOI EXPECTS PROCURE BETWEEN 7.0 AND 8.0 MILLION TONS GRAIN FROM CURRENT RABI HARVEST, COMPARED TO 5.1 MILLION TONS

DURING LAST RABI SEASON. PROCUREMENT FROM 1972-73 KHARIF HARVEST SO FAR APPROXIMATES 2.2 MILLION TONS AS AGAINST INITIAL TARGET 4.6 MILLION TONS.

7. REPORTS FROM CALCUTTA STATE THAT CURTAILED SUPPLY OF ANIMAL FEED IN EASTERN INDIA FORCED CLOSURE OVER 400 POULTRY

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FARMS WHICH TOGETHER EMPLOYED OVER ONE MILLION PEOPLE.

8. COMMENT: STILL TOO EARLY TO EVALUATE PLANS FOR GOVERNMENT TAKEOVER WHOLESale WHEAT TRADE. MOST GOI OFFICIALS STATE ALL IS GOING WELL WHILE OTHER CONCERNED INDIVIDUALS HAVE ADOPTED " WAIT AND SEE" ATTITUDE.

9. THERE WAS LITTLE NEWS COVERAGE OR TALK ABOUT FOOD SUPPLIES IN DROUGHT AREA PAST WEEK DUE IN PART TO FACT THAT GRAIN CROPS IN DROUGHT AREA NOW BEING HARVESTED.

10. EMBASSY BELIEVES ADDITIONAL FOODGRAIN IMPORTS ( ADDITIONAL TO 2.0 MILLION TONS REFERRED TO ABOVE) WILL BE MADE BY GOI DURING SUMMER AND FALL MONTHS. EXTENT OF IMPORTS WILL DEPEND UPON ADEQUACY OF MONSOON RAINS AND DEGREE TO SUCCESS OF DOMESTIC WHEAT PROCUREMENT PROGRAM.

MOYNIHAN

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\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Draft Date:** 30 MAR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** n/a  
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**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
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**Line Count:** 135  
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**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 3  
**Previous Channel Indicators:**  
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**Previous Handling Restrictions:** n/a  
**Reference:** 73 NEW DELHI 3347  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02-Aug-2001 by daviscw>; APPROVED <15-Aug-2001 by boyleja>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> wfs 980114  
**Subject:** WEEKLY FOODGRAIN SITUATION  
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**To:** BOMBAY  
CALCUTTA  
ISLAMABAD  
MADRAS  
MEMEMBASSY LONDON  
NEA  
SECSTATE WASHDC

**Type:** TE

**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005